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**2023** ESG REPORT





# **About the Report**

The Report is to disclose plans and practice of corporate social responsibility and sustainable development implemented by Sino-Japan Chemical Co., Ltd. (hereinafter referred to as Sino-Japan Chemical) as well as to provide stakeholders with the performance of sustainable development achieved by Sino-Japan Chemical. The reporting boundary, duration, release cycle, and preparation accordance of the Report as well as contact details and other relevant information are as follows:

#### Reporting boundary

Taipei Headquarters: 14F., No. 99, Sec. 2, Ren Ai Rd., Zhongzheng Dist., Taipei City Linyuan Plant in Kaohsiung: No. 6, Shi Hua 4th Rd., Linyuan Dist., Kaohsiung City (Linyuan Industrial Park)

#### Duration and the release cycle

The Report is the 2023 Corporate Sustainability Report that is released by Sino-Japan Chemical for the first time. The information and statement presented in the Report is the implementation status of environment, social responsibility (including human rights), and corporate governance (including economy) in 2023 (from January 1, 2023, to December 31, 2023). It is released once every complete year.

#### Preparation accordance

The Report is disclosed according to GRI: 2021 Standards. A table of comparison between the content of the Report and GRI: 2021 Standards is provided at the end of the Report.

#### Contact details

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# **Message from the Chairperson**

Thank you for reading Sino-Japan Chemical Sustainability Report. Implementation of sustainable development is a journey that never stops. Through the disclosure of sustainability information, we comprehensively review the current status of sustainability achieved by the Company and continue prompting the Company's improvement and development.

Although the epidemic of COVID-19 all over the world has been eased, we are now in an era that enterprises must face social issues, including climate change and human rights. ESG has become one of the most essential issues in the world. To enhance competitiveness and pursue sustainable management, enterprises at home and abroad focus on three dimensions, Environmental (E), Social (S), and Corporate Governance (G), and disclose the current status and objectives in ESG Sustainability Report in order to improve corporate long-term performance and corporate value. Sino-Japan Chemical also carries the core philosophy of sustainable development, emphasizes employee care and environmental protection, and implements corporate social responsibility in order to establish the foundation for sustainable development.

# Safe production and make contribution to society

Following "Safety Philosophy" and "Mission" disclosed by Nippon Shokubai Group, we always adhere to "Safety takes priority over production". Besides, we follow "**TechnoAmenity** Providing prosperity and comfort to people and society, with our unique technology." as our mission to the society. Committed to production, Sino-Japan Chemical also thinks about the global environment, produces products that meet customer demands, ensures product quality, and delivers to customers on time. In addition, other than our customers, we hope anyone who uses our products

indirectly can also wear a smile with joy. If we can achieve it, when gaining trust from customers and the society, it also represents the contribution made by each of our employees to customers and to the society. As the saying goes, "What we take from society, we give it back to society". Except ensuring the Company's steady development, we also take part in public welfare activities and community charity activities near out plant as well as continue putting in resources and providing a safe working environment to protect employee health and safety.

#### Implementation of green transition

Currently, other than actively "developing core technologies and products", "opening up forward-looking markets and industries", promoting "differentiation strategies that stand out among our competitors", and pursuing growth of the Company, we also push forward and participate in issues related to environmental protection and social concern from different dimensions to fulfill our actions for sustainability. Among them, for the issues of global climate change and global warming, the government has announced the goal of "2050 net zero in Taiwan". Our Company also refers to the goals set by the parent company, Nippon Shokubai Group, and sets the targets of achieving 20% carbon reduction in 2030 and fulfilling "carbon neutrality" in 2050. In response to the world trend of carbon reduction, the connection to international supply chains, the satisfaction of customer demands, and the fulfillment of green transition, the Company will continue innovating and developing environmentally friendly green products, improving existing manufacturing processes, and reducing loads to the environment to achieve scheduled milestones of energy consumption and carbon emission reduction.

#### Fulfillment of sustainable development goals

From now on, to maintain rights and interests of stakeholders and precisely deliver ESG-related information, we hope the Company will become a part of the global supply chain through the full promotion of ESG-related activities among all employees and further enhance our competitiveness and strengthen the foundation of sustainable management. In addition to obtaining better development in business and operation, we can also fulfill



our responsibility to the society and the environment, continue creating values to shareholders and employees, make contribution to society and environment, implement sustainability actions to production activities and corporate operation to truly achieve the goals of sustainable development. Please do feel free to continue providing us with support and encouragement.



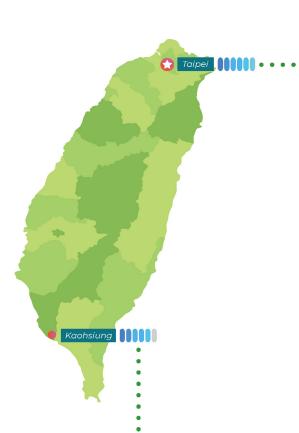
SINO-JAPAN CHEMICAL Chairperson | President

肱黑,修树



# 01. Sino-Japan Chemical

# 1.1 Company profile









#### 1.1.1 Company main history

The Company was established in 1970 with funds raised by Sankyo Co. Ltd. in Japan, China Chemical & Pharmaceutical Co., Ltd., and Great Victory Chemical Industry Co., Ltd. jointly. It was technically assisted and supervised by Nippon Nyukazai Co. Ltd. and was the first professional surfactant manufacturer in Taiwan. In the beginning, it mainly produced pesticide emulsifiers in Shulin Plant. In 1982, Linyuan Plant was established in Kaohsiung Linyuan Petrochemical Industrial Park for professional production of nonionic surfactant. In 2008, Nippon Shokubai Group became the biggest shareholder of the Company. Over the past years, we continue working hard in advancing details related to safety & health, environmental protection, and internal control as well as optimizing production technology, organizational systems, and equipment to lay a cornerstone for the continuous development and sustainable management of Sino-Japan Chemical.

#### 1.1.2 Product application and sales territory

For more than 50 years, our products are widely used in different industries, they play a key role in every industry and are closely related to our daily life. To satisfy customer demands, we continue investing in R&D equipment, establishing key technology, providing customized products and services of joint development, and building long-term partnership with customers.

For the "detergent" industry, we are active in developing a variety of eco-cleaning products and providing green products that are friendly to human body and environment in order to make efforts to green home. For the "resin" industry, we focus on continuous improvement of water resistance and weather resistance performance on waterborne resin paints. We have become a key supplier for reactive surfactants. For the "electronic" industry, we devote ourselves to the development of precision electronic chemicals and work hard to satisfy industrial demands in order to be an important partner in the electronic industry. In terms of the "textile" industry, we offer numerous surfactant products related to biomass to satisfy customer demands. As for the "agri-biotechnology" industry, we responded to the trend of environmental demand in water-borne pesticide formulations all over the world and developed water-based flowable concentrate and emulsion agent, oil in water to step into the new trend of environmental protection with customers.

Other than the domestic market, our products are marketed in more than 50 countries over the five continents in the world. In the future, we will concentrate on the expansion of overseas markets and continue enhancing the ratio of overseas sales.



#### 1.1.3 Rigorous standardized manufacturing process and quality management

To pursue quality stability and operational safety, we keep introducing the latest production equipment and technology, fully implement the automatic control system, and complete automatic storage equipment and precise automatic filling system. We plan to further introduce intelligent management in our plant from 2023, including the completion of the logistics center in 2025, to comprehensively enhance production and operational safety, shipment efficiency, and the goals of energy saving and carbon reduction.

We obtained ISO-9002 Manufacturing Process and Quality Assurance System Certification in 1997, ISO-9001 Quality Management System Certification in 2000, ISO-14001 Environmental Management System Certification in 2006, OHSAS-18001 Occupational Safety and Health Management System Certification in 2007, HALAL Certification in 2014, and CNS 15506 Taiwan Occupational Safety and Health Management System Certification in 2015. In 2018, we passed the review of JIPM in Japan and obtained TPM Excellence Award. In 2019, we obtained ISO-45001 Occupational Safety and Health Management System Certification and RSPO MB Supply Chains Certification. In 2023, we obtained ZDHC Certification. These are to ensure we fully understand customer demands; through quality management systems, we commit and implement continuous improvement.

#### 1.1.4 Equipment investment and occupational safety management

The main equipment used in the Company includes EO/PO polymerization high-pressure reactor, EO/PO polymerization pretreatment tank, refinery pit, mixing tank, heat transfer oil system high-temperature reactor, flaker, and grinder. For years, the Company continues introducing new technology and activities related to environmental protection, waste reduction during production, and energy saving, such as installing high-efficiency wastewater treatment tank and whole plant occupational safety and environmental protection monitoring system. Smart Patrol - Automated Inspection Checklist will also be introduced in the future. Besides, through regular discussion and environmental review, we aim to achieve the goals of "zero pollution" and "zero disaster".

#### 1.1.5 Flexible services and innovative R&D

The Company provides flexible customized services, advantages of small-volume and large-variety production, and various packaging materials to satisfy customer demands in quality and quantity. We offer complete technical support and real-time after-sales intensive service, provide most professional suggestions to customers, and carry out development with customers to further achieve the goals of accurate delivery and professional service.



We possess sophisticated analytical instruments, small reactive equipment, and complete database of surfactants as well as focus on the development of surfactants and establish key technology to ensure our competitiveness in domestic and overseas markets.

In addition to the existing industry, the Company is working hard to develop high-value added technology and products for electric vehicles, semi-conductors, and innovative electronic materials to establish a good foundation for sustainable development in the future.

Along with the development of each industry, the demands of industrial application continue rolling out. We also keep innovating and developing new technology and new products to respond to market demands. We hope to provide prosperity and comfort to people and society, with our unique technology. We conduct all of our corporate activities based upon a deep respect for humanity. We aim at coexisting with society, and working in harmony with the environment.













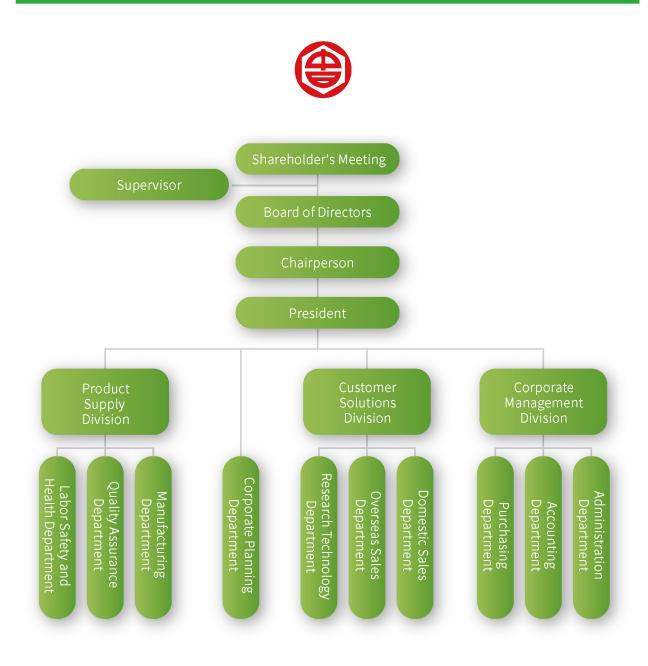




# 1.2 Corporate governance organizational structure

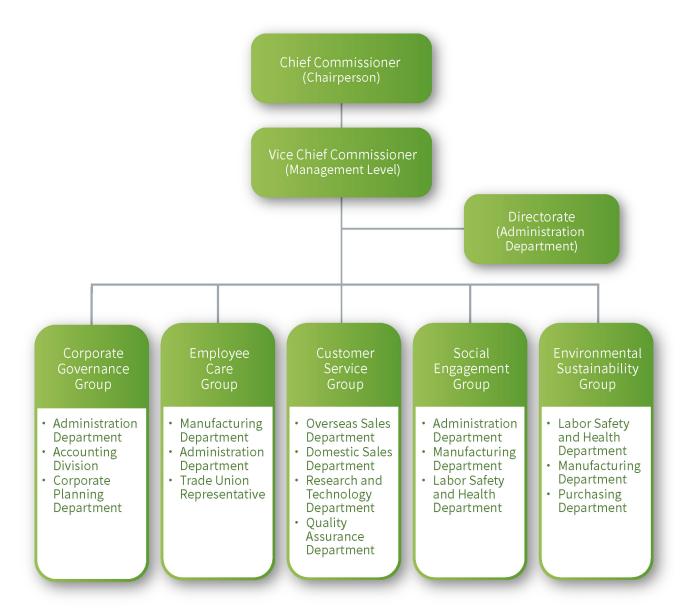
#### 1.2.1 The highest governing body:

To fulfill internal management mechanism and supervision, resources are integrated and shared through the resource platform. In addition, it focuses on the integration of back-end management performance and the coordination of front-end to further enhance the business performance at the front-end. Based on different job duties, Sino-Japan Chemical establishes relevant departments to increase business performance of the Company. The organizational structure is as below:



# 1.2.2 Sustainability Committee:

The Board of Directors authorized to establish "Sustainability Committee" as the highest governing authority. The structure is shown below:



# 1.2.3 Committee duty:

To fulfill social responsibility as a corporate citizen, link with international trends, actively respond to risk evaluation and coping strategies for environment, society, and corporate governance required by stakeholders, and achieve sustainable development goals, the Board of Directors authorizes the establishment of the Sustainability Committee.

Chairperson of the Company is the Chief Commissioner of the Sustainability Committee, and the Vice President/Associate Vice President of each division serves as the Vice Chief Commissioner, while the tier one supervisors of each department act as committee members. A meeting must be hold at least every half a year. If necessary, additional meetings can be called up. The Board of Directors should be reported the implementation status aperiodically.

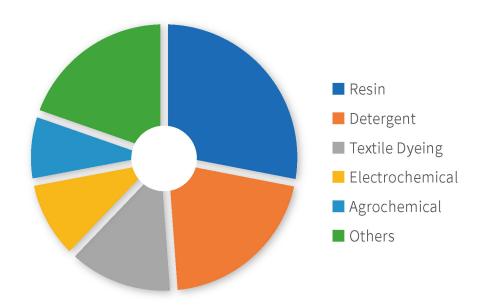
The Sustainability Committee is to assist continuous promotion of corporate social responsibility and enhance corporate governance in order to fulfill the purpose of sustainable management. Its duty includes:

- ◆ Planning guidelines and strategies of sustainable development activities promoted by the Company.
- ◆ Establishing plans and measures for sustainable development promotion and reviewing the actual effectiveness.
- ◆ Discussing other important matters of sustainable development promotion.
- ◆ Other matters that are instructed to the Committee through the resolution of the Board of Directors.

# 1.3 Marketing overview

# 1.3.1 Distribution of sales revenue by the classification of domestic industry:

Our products are diversified and cover a wide range. The scope of application spreads more than 20 industries.



## 1.3.2 Rooted in Taiwan and eye on the world:

Our products are marketed in more than 50 countries over the five continents in the world. In the future, we will focus on expanding overseas markets and continue increasing the ratio of overseas sales.



# 1.4 Activity value chain

## 1.4.1 Promoting supplier cooperation and management:

Sino-Japan Chemical follows the guideline of "United Nations Convention against Corruption (UNCAC)" and agrees to comply with the anti-corruption regulations set by the local place where the business activities are conducted by Sino-Japan Chemical. To construct standards of corporate governance social responsibility and risk control mechanism, we adopt the principle of zero tolerance towards behaviors of corruption and bribery. In addition, Sino-Japan Chemical provides an "Environmental and Social Responsibility Statement" for each supplier to sign on it. Every key supplier completed their signatures in 2023.

#### 1.4.2 Regular assessment:

Sino-Japan Chemical insists all of our suppliers to respect labors. When selecting new suppliers, we incorporate "Human Right Standard Assessment" and request suppliers to follow relevant international standards and legal regulations in Taiwan to conduct behaviors that meet human right requirements in terms of voluntary labor, no child labor, legal working hours, legal wage payment, humanitarian working environment, no discrimination in gender/nationality/ethnicity/disability, and freedom of association. We demand all the suppliers working with Sino-Japan Chemical to respect employee human rights and ensure employees to work in a friendly working environment safely.

To deepen the implementation by suppliers, Sino-Japan Chemical will ask suppliers to complete "ESG Supplier Risk Evaluation Survey" regularly. The content includes five key dimensions in labor, health & safety, ethics, environment, and management system. Suppliers are asked to carefully review sustainability topics that need to be faced in order to strengthen positive impacts of the whole supply chain to the society and the environment.



Assessment of the top five suppliers that accounted for 69% of all raw material purchases by quantity

Five suppliers were surveyed and four responses were received The risk assessment is outlined below

Suppliers	Sent	Response	Goal (%)	Risk Assessment (Actual % )
А	V	V	80%	95.9%
В	V		80%	
С	V	V	80%	96.6%
D	V	V	80%	89.9%
Е	V	V	80%	83.1%

Besides, the Company also carries out periodic assessment to contractors. It includes work quality/ operational area management, work schedule control and management, cooperation and coordination, self-management of environment, safety & health, and special consideration. We expect contractors to meet schedules requested by the Company under the consideration of occupational safety and health as well as achieve problem-solving to create win-win situations.

Audits of domestic and overseas raw material suppliers were conducted by the Quality Assurance Department and the Purchasing Department during 2023. On-site audits were conducted at two domestic suppliers and two overseas suppliers. No defects were found during the audits, so all were deemed to be approved suppliers. Explanation is provided below:

Audit date	Raw material supplier	Location	Auditors	Audit outcome	Decision (Pass score is 80)
2023/03/08	Fatty Acid Plant	Southeast Asia	2 x QA Dept. 2 x Purchasing Dept.	Score = 93.30 No defects recorded.	Pass
2023/03/09	Fatty Alcohol Plant	Southeast Asia	2 x QA Dept. 2 x Purchasing Dept.	Score = 93.30 No defects recorded.	Pass
2023/09/05	Packaging Material	Domestic	2 x QA Dept. 2 x Purchasing Dept.	Score = 95.11 No defects recorded.	Pass
2023/11/15	Mineral Salt	Domestic	2 x QA Dept. 2 x Purchasing Dept.	Score = 92.00 No defects recorded.	Pass



Suppliers are important partners for the sustainable operation of Sino-Japan Chemical. To reduce the risks and costs of supplies in the supply chain, Sino-Japan Chemical is active in working with suppliers for localized supplies. Except shortening delivery time and lowering transportation risks, it also reduces carbon emission caused by distant transportation and creates local employment opportunities to promote the development of local industries and economy in Taiwan. The top 10 raw materials accounted for 66.9% of the Company's "local purchasing" in 2022. The "local purchasing" ratio in 2023 was 69.2%. "Local purchasing" refers to the raw materials produced by the company in Taiwan.

#### 1.4.4 Strengthening customer service:

The growth of Sino-Japan Chemical relies on the trust from customers. To create greater value for customers, other than working hard to provide good service systems, regularly reviewing product utilization status by customers, ensuring smooth operation of production line for customers, Sino-Japan Chemical continues promoting material innovation and improvement as well as working closely with customers' R&D team to develop the most optimized products and grow with customers.

#### 1.4.5 Customer satisfaction survey:

In order to ensure that quality management meets customer demands and increase customer satisfaction, Sino-Japan Chemical adopts questionnaires for "Customer Satisfaction Survey". We send customers the questionnaires and ask them to fill in the level of satisfaction for relevant questions. The results of customer satisfaction survey in 2023 are as below:

Classification	Copies of questionnaire issued	Copies of questionnaire returned	Recovery rate	Level of satisfaction
Domestic customers	60	60	100%	100%
Overseas customers	30	30	100%	96.0%

The slightly lower rate of customer satisfaction from overseas customers shown above was mainly due to minor damage to packaging from external forces during the transportation process rather than quality issues with the product itself. The Company will therefore examine and make improvements to product packaging to prevent defects in packaging created by the transportation process.



#### 1.4.6 Handling customer complaints:

In order to respond and handle customer complaints promptly, eliminate customer dissatisfaction and prevent recurrence, furthermore continuously enhance the quality of product and service, and increase customer satisfaction and loyalty, Sino-Japan Chemical has a mechanism in place to handle customer complaints. Each customer complaint will be established a special case to provide concrete improvement and response within the deadline requested by customers.

In 2023, the customer complaint and its handling are as below:

Number of customer complaint	Number of closure	Closure rate	
0	0	0	





# 1.5 Sustainable development road map

## 1.5.1 Blueprint of sustainability strategy

Sino-Japan Chemical starts from our core competence and devotes ourselves to social responsibility through innovative thinking. We follow the Mission of our parent company in Japan and turn the concept of corporate sustainability into our business mission. It not only enables us to strengthen our corporate resilience but also helps us to break new ground from our business model to reach multiple wining synergy that is good for our business and others, Company profits, sustainable management, and environmental sustainability.

The details of the safety concepts, corporate philosophy, corporate value, and code of conduct instructed by the Group are as follows:

#### Safety Philosophy

Safety takes priority over production.

#### Mission

**TechnoAmenity** Providing prosperity and comfort to people and society, with our unique technology.

#### **Values**

Important guiding principles to fulfill our Mission

#### **Respect Diversity**

We will create new value by respecting the unique traits of each person.

#### Pioneer New Possibilities

Pioneer New Possibilities: We will courageously provide solutions to customer challenges and social issues.

#### Contribute to Global Environmental Preservation

We will work to ensure a better global environment is passed down to the next generation.

#### Code of conduct

- 1. We will contribute to the realization of a sustainable society by putting the Group Mission **TechnoAmenity** into practice.
- 2. We will execute our business activities by always ensuring both internal and external safety.
- 3. We will enforce thorough-going compliance in every area.



- 4. We will support international human rights standards and respect the human rights of all people touched by our business activities.
- 5. We will engage in fair and sincere business activities with all of our stakeholders.
- 6. We will provide materials and solutions needed by customers.
- 7. We will help reduce our environmental impact and help tackle environmental issues through technology.
- 8. We will actively disseminate information and dialogue with stakeholders.
- 9. We will recognize and respect diversity so that every person and organization reaches their full potential.
- 10. We will contribute to the development of local communities as a member of those communities.

## 1.5.2 Sustainable development goals:

		Short-term goals	Mid-term goals	Long-term goals
Key point of sustainable development promotion		Establishing Sustainability Committee and its system, checking current situation of ESG, and confirm the development blueprint	Establishing goals and strategies according to the development blueprint and introducing necessary management system	Developing and integrating new business models
Dimension of	Setting up environmental i Friendly policies according to the environment situation of greenhouse		Actively participating in reasonable carbon reduction goals, implementing ISO-14001 to enhance performance, promoting ISO-50001 Energy Management System, and increasing efficiency of energy utilization	Evaluating and setting the goals of carbon neutrality
pra	Shared-good society	Actively participating in community activities	Healthy Workplace Certification	Giving back to the society by helping underprivileged groups
ctice	Corporate governance	Strengthening the functions of Sustainable Development Committee	Strengthening ESG information disclosure	Promoting business sustainable management
	Sustainable innovation	Identifying demands of the green industry	Green energy technology integration and positioning	Establishing new business models



#### 1.5.3 Response to UN sustainable development goals (SDGs):

The Company is devoted to promoting gender equality of employment, creating a friendly workplace, and committed to providing for diversified employees to bring out their greatest potentials. We strengthen the development of sustainable economy to create excellent revenue performance year by year and continue expanding business scale through comprehensive connection and integration capability. No matter whether it is the fulfillment of ESG or the response to SDGs, Sino-Japan Chemical focuses on the main business to promote environmental and social development, fully implement corporate social responsibility, and create innovative and sustainable services.

What Sino-Japan Chemical created is not only a job but also an opportunity and a place for like-minded partners to participate in the future and to make the most of their talents. To enhance employee well-being and corporate sustainable operation, we provide measures balancing work and life that care for employee family and the personal life of employee, including dimensions in work, health, and family. We set up friendly systems and supports to create positive and supporting working environment. In order to create a good learning environment, we take the initiative to understand the latest trend of learning and employee demands, make good use of resource and learning platforms, improve interaction with employees, increase learning willingness, and enhance employees' competitiveness.

## 1.5.4 Ethical management and code of ethics:

Sino-Japan Chemical has established complete management regulations and systems, clearly expressed policies of ethical management, and provided employees with relevant educational training.



responsibility



#### 1.5.5 Regulatory compliance:

Sino-Japan Chemical highly values regulatory compliance and also entrusts professional law firms to assist employees in clarifying any concern about legal regulations. In 2023, there was no record of materially violating relevant laws in terms of economic dimension, environmental dimension, and social dimension and was fined or prosecuted.

Audit outcomes and response strategies for government audits in 2023 are tabled below:

Туре	No. of plant Audit outcome visits		Note
Industrial safety	4 times	2 oral recommendations	The oral recommendations and improvements were as follows
Auditing Unit	Rec	ommendation	Action Taken
Kaohsiung City Government	Plant was audited on January 4 and the following defect was found: P.43 of the Health and Safety Work Rules on working with special chemicals need to be updated as the referenced legislation has been amended.		Health and Safety Work Rules were amended in accordance with the regulations, and the change was reported to the authorities. (Change report approved on January 13)
Labor Standards Inspection Office	Plant was audited on January 13 and the following defect was found: "Day" field missing from the explosion-proof equipment checklist. The form needs to be revised and the contents of the checklist needs to be verified as well.		The form has been revised. (Completed on January 16)
Environmental Protection	12 time 1 oral recommendations		The oral recommendations and improvements were as follows
Auditing Unit	Recommendation		Action Taken
Kaohsiung City Government Environmental Protection Bureau	Soil testing conducted on-site on May 10		Improvement in response to oral recommendation completed on July 31
Fire safety	2 time	No defects	
Working conditions	1 time No defects		

# 1.5.6 Promoting commitments to corporate social responsibility:

Sino-Japan Chemical reviews and promotes corporate social responsibility with an active attitude. We integrate the promotion of sustainability commitment into daily operation to fully respond to the trend of sustainable development and make commitments to the sustainable development of the corporate and the society.

To guide our employees meeting ethical conduct standards and ensure stakeholders understand the Company's standards of ethics better, our parent company, Nippon Shokubai, established "Code of Conduct" for all the employees in Sino-Japan Chemical to follow and use it as guidelines for actions. New employees will be guided by the competent authority to know the company culture and code of conduct so that all the activities in the Company follow the social regulations and standards related to law, environment, and safety.

Sino-Japan Chemical provides high-quality and safe products and believes talents are the greatest cornerstone for the Company. Other than maintaining the rights and interests of internal employees, we also ensure suppliers to respect employees, adopt responsible manufacturing processes to the environment, and offer safe working conditions and welfare. We emphasize and make sure employee health and safety, including our suppliers' and whether working environment meets regulations. We continue enhancing social and environmental responsibility in our supply chain, actively monitoring risks and opportunities impacted by the environment, and moving towards the goal of environmentally friendly enterprise.

#### 1.5.7 Cooperating with associations:

Other than pursuing our sustainable management, Sino-Japan Chemical responds to the demand of business development and tries hard to support associations in the same trade or in other industries and other non-profiting organizations to strengthen information exchange within the industry or with other industries and promote industrial connection.

Currently, the Company is a member in Petrochemical Industry Association of Taiwan, Taiwan Chemical Industry Association, Taiwan Cleaning Product Association, Roundtable on Sustainable Palm Oil (RSPO), and Taiwan Halal Integrity Development Association (HALAL) Zero Discharge of Hazardous Chemicals Foundation (ZDHC), Other than enhancing professional knowledge of the industry together with each organization, we also expect to perform social responsibility with each organization and further enhance the responsibility of the whole supply chain to the society.

# 1.5.8 Internal control and audit by the Group:

The Company receives J-SOX internal control audit from the parent company and obtains valid evaluation by the parent company and the supervising incorporated certified public accountant.



#### 1.5.9 International certification:

The Company obtained ISO International Management System Certification as well as HALAL and RSPO Certification for customers in specific industries. We receive affirmation from our customers.









RSPO







HALAL

Changes to sales of RSPO certified products were as shown:

- ◆ 2023 sales of RSPO-certified products was lower than 2022
- ◆ There were 11 RSPO-certified products in 2023, 2 more than 2022
- ◆ There were 36 customers for RSPO-certified product sales in 2023, 11 more than 2022
- ◆ RSPO-certified products were sold to 9 industries in 2023, 2 more than 2022 (metal, agriculture)



# 1.6 Strengthening corporate governance

#### 1.6.1

To ensure the proper protection of sensitive company data, enhance information security when working off-site or remotely, and reduce the risk of sensitive data leaks, a company-wide file encryption system was deployed in 2023. All sensitive data are now secured through encryption and watermarking. Access permissions are also applied.



#### 1.6.2

The existing firefighting system is wired straight to the building systems. If the building's firefighting system is triggered, the sprinklers will destroy the equipment in the data center even if there is no fire inside. To reduce the cost of recovery after each incident and lower operating risk, the existing sprinkler system inside the data center at Headquarters was removed in 2023. A new "Non-toxic gas fire suppression system" was installed to strengthen the safety of the Company's data center and prevent system failure due to external factors.





# 02. Implementation of corporate social responsibility

# 2.1 Process of material topics

Our Company listens and responds to the topics that are concerned by stakeholders and introduces substantive analysis when preparing the sustainability report. Through systematic analytical mode, we hope to identify topics of sustainability that are concerned by stakeholders and use them as the reference for information disclosure of the Report to facilitate effective communication with stakeholders. The analysis of significant dimensions in the Report includes the following five steps:

#### 2.1.1 Identifying stakeholders:

Through internal discussion with managers and colleagues in different departments and their feedback, we identify stakeholders, including institutional shareholders, directors & supervisors, managers, employees, customers, suppliers, contractors, and underprivileged groups.

# 2.1.2 Collecting sustainability topics and summarizing dimensions to be considered

The collection of topics comes from two sources, external and internal. External sources include GRI Standards. Based on the 33 consideration dimensions listed in GRI Standards, we incorporate them into international topics and standards to summarize a list of dimensions to be considered.

# 2.1.3 Understanding the topics

Through questionnaires, we understand stakeholders' concern towards each topic. We also carry out survey on the senior managers in the Company at the same time to evaluate the impact of each topic caused to the Company's operation.



# 2.1.4 Identifying material topics

After adding scores of stakeholders' concern and impact to the sustainable development recognized by the senior managers together, we conduct analysis and sequencing of dimensions. Upon the internal discussion and the approval of senior managers, the material topics of the Report are determined.

# 2.1.5 Reviewing and discussion

According to the material topics identified for the year, we disclose management guidelines. In the future, we will continue strengthening management and disclosing relevant information in the sustainability report.





# 2.2 Investigation of material topics

### 2.2.1 Questionnaire survey:

Based on the level of attention and impact towards GRI material topics, the Company conducted survey to stakeholders through questionnaires. We identified stakeholders according to 2.1.1 and issued 162 copies of questionnaires to institutional shareholders, directors & supervisors, managers, employees, customers, suppliers, contractors, and underprivileged groups. 112 copies of questionnaires were returned with a recovery rate of 69.14%.

#### 2.2.2 Determination of material topics:

Based on the results of statistics above, Sino-Japan Chemical selected following topics in 2023:

- ◆ 201 Economic Performance
- ◆ 403 Occupational Health and Safety
- ◆ 416 Customer Health and Safety
- ◆ 417 Marketing and Labeling
- ◆ 418 Customer Privacy

Based on material topics that survey to stakeholders in 2023 showed that the level of attention and impact of the three topics GRI 205 Anti-Corruption, GRI 305 Carbon Emissions, and GRI 306 Waste was lower.

When it came to anti-corruption, employee efforts and education on proper concepts have now borne fruit, so no disclosure will be included in this report.

Due to global trends such as climate change, Net Zero by 2050, and environmental sustainability, the Company will continue to provide disclosure on material topics such as Carbon Emissions and Waste in this Report.

GRI 417 Marketing and Labeling was added as a material topic in 2023. This reflected growing stakeholder concern with product marketing and labeling so it was included for disclosure as well.





#### 2.3 Stakeholder communication

# 2.3.1 Topics, channels, frequency, and results

Meeting the expectation of stakeholders is an important goal of CSR policies established by Sino-Japan Chemical. We communicate and interact with stakeholders through different methods. The communication methods and channels with stakeholders are shown as below:

Topics concerned by stakeholders and engagement results

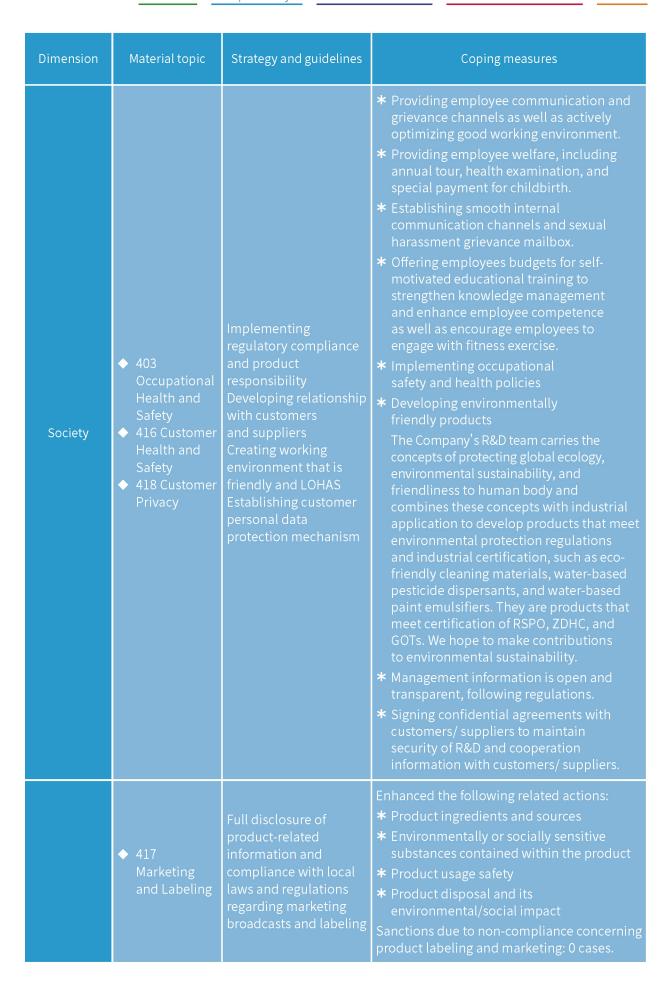
Stakeholder	Topics	Communication channels	Frequency	Response/ engagement results
Shareholder	Management strategy	Annual shareholders' meeting	Once a year	Business report Financial report Earnings distribution
Director Supervisor	and future development Corporate governance Regulatory compliance: environment Supplier environmental assessment	Board of Directors	Twice a year	Annual budget Business report Financial report Voluntary retirement of employees Appointed managers' appointment Other proposals
Customer	Regulatory compliance (environment) Product and service labelling Customer health and safety Customer privacy	Satisfaction survey Business visit	Once a year	Feedback of customer satisfaction achieved the target.
Employee	Labor/ management relations Occupational health and safety	Labor-management meeting Employee grievance mailbox Employee Welfare Committee Occupational Safety and Health Committee	Omit	The content of meeting met legal regulations, and the meeting did not have important resolution and engagement.
Supplier	Regulatory compliance (environment) Supplier environmental assessment	Periodic supplier assessment	Once a year	Suppliers follow legal regulations for environmental management and have no material violation.



After identifying material topics, we further confirm the impacts to internal and external organization caused by the major considerations. Its scope, boundary, and schedule are fully disclosed in the Report. Besides, senior managers discussed each material topic with each other and established strategies, guidelines, and coping measures to strengthen the communication with stakeholders.

#### 2.3.2 Material topic communication

Dimension	Material topic	Strategy and guidelines	Coping measures
Economy	<ul><li>◆ 201 Economic Performance</li><li>◆ 205 Anti- Corruption</li></ul>	Establishing long-term strategies and goals Strengthening information disclosure	<ul> <li>Investing more resources in technology innovation, quality improvement, and manufacturing cost reduction.</li> <li>Integrating business and product information to strengthen development in the Mainland China and overseas areas.</li> <li>Strengthening business continuity management (BCM) to increase the resilience of business continuity plan (BCP).</li> <li>Establishing Sustainability Committee to deepen sustainable management.</li> </ul>
Environment	◆ 305 Emissions	Cultivation of customer and supplier relations to realize carbon emission reduction targets	<ul> <li>Regular reviewing and actively following up the changes of governmental regulations.</li> <li>Strengthening green supply chain to reinforce audit and management to suppliers.</li> <li>Locate the plant's GHG emission hot spots, devise fixed/stationary emission reduction measures, and implement power-saving operations.</li> </ul>
	◆ 306 Effluents and Waste	Waste reduction and implementation of waste disposal	<ul> <li>Strengthen the reduction of packaging materials waste in the supply chain.</li> <li>Comply with regulations and implement the correct way of disposing of waste.</li> </ul>



# 2.4 Promotion of commitments to corporate social responsibility

Sino-Japan Chemical reviews and promotes corporate social responsibility with an active attitude. We also integrate the sustainability commitments into our daily operation to fully respond to the trend of sustainable development and make commitments to the sustainable development of the enterprise and the society.

Based on the implementation of social responsibility, the policy and commitment of corporate social responsibility delivered by Sino-Japan Chemical include:

- Formulating the corporate social responsibility statement.
- All of the Company's business activities follow social regulations and standards related to law, environment, and safety.
- Ensuring the transparency of management information to strengthen business performance and maintain rights and interests of shareholders.
- Valuing corporate governance and implementing internal audit and control system.
- Providing safe and healthy working environment and fulfilling cultivation and development of professional competence.
- Working with customers and suppliers to enhance the supply chain's social and environmental responsibility.
- Implementing energy saving and carbon reduction as well as establishing energy saving and central control system and process of degital documents.
- Caring and giving back to society, participating in social and public welfare, and sponsoring industrial talent cultivation.

# 2.5 Active participation in social activities

Other than ensuring steady development, the Company also takes the initiative to participate in social welfare activities and community welfare near the plant. The details are as below.

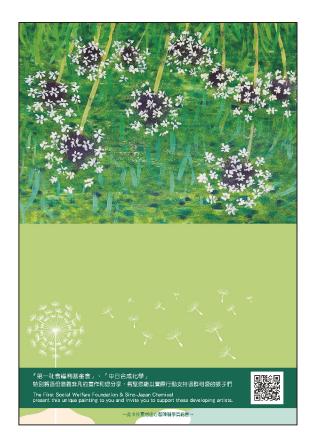
- ➤ Joining the organization of "Linyuan Petrochemical Industrial Park Good-Neighborhood Fund" to give back to the residents in Linyuan District, Kaohsiung City. The fund is used in the following purposes:
  - (1) Local construction projects
  - (2) Public welfare activities
  - (3) Scholarships
  - (4) Emergency assistance



- (5) Sponsoring community festivals, art activities, and sports events
- (6) Supporting community health, afforestation, landscaping, and public facility maintenance
- (7) Books donation to elementary schools in the community
- ➤ A long-term sponsor to The First Social Welfare Foundation for their activities of art camp for members with mental disability. The cards painted by the mentally disabled members are used as greeting cards for greetings in traditional festivals and Lunar New Year.
- ➤ Offering internship opportunities to students at the Department of Applied Chemistry, National University of Kaohsiung to promote cooperative internship instruction and practical training.
- > Donation to senior charity activities organized by the Huashan Foundation
- ➤ Donation to Kun-Chih Charity for hosting winter charity clinic and distribution of charity supplies
- ➤ Inviting mentally disabled groups to perform at the end-of-year dinner party.
- > Hosting activities of second-hand books and clothes donation.
- ➤ Participating in Petrochemical Cup Labor-Management Softball Tournament.







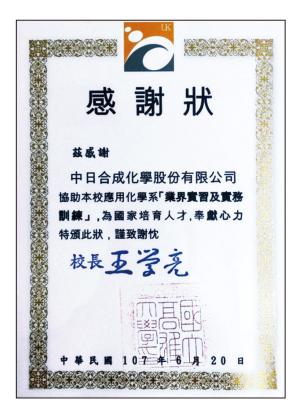
Chemical



The cards painted by the mentally disabled members are used as greeting cards for greetings in traditional festivals and Lunar New Year



Inviting mentally disabled groups to perform at the end-of-year dinner party



Offering internship opportunities to students at the Department of Applied Chemistry, National University of Kaohsiung to promote cooperative internship instruction and practical training.





Assisting free dishes to vulnerable seniors in Huashan Daliao Station for Lunar New Year.



Assisting free dishes to vulnerable seniors in Huashan Daliao Station for Lunar New Year.



Hosting activities of second-hand books and clothes donation.







Participating in Petrochemical Cup Labor-Management Softball Tournament



## 03. Creation of an environment with friendliness and LOHAS

### 3.1 Employee structure

#### 3.1.1 Nature of duty and gender status

	Whole c	ompany		pei uarters		siung n Plant
	Male	Female	Male	Female	Male	Female
Total number of employees	153	17	42	9	111	8
Number of permanent employees	153	17	42	9	111	8
Number of full- time employees	153	17	42	9	111	8
Total	17	70	5	1	1:	L9

#### 3.1.2 Employee turnover

	Whole c	ompany		pei uarters		siung n Plant
	Male	Female	Male	Female	Male	Female
Number of employees resigned	2	1	2	0	0	1
Number of employees recruiting new blood	6	0	3	0	3	0
Number of employees applying leave without pay	0	0	0	0	0	0
Number of employees resumed their duties	0	0	0	0	0	0



#### 3.1.3 Contractor Role:

Item	Contractor Name	Contracted Business	Whether the contract was signed	Period of Cooperation
1	Labor Hire Agency	Cleaning	YES	Annual contract
2	Labor Hire Agency	Inspection (product packaging)	YES	Annual contract
3	Labor Hire Agency	Shipping	YES	Annual contract

#### Contractor Gender Overview

Year	20	23
Gender	Male	Female
Age/Persons	Persons	Persons
Under 30	5	
31-50	2	
Over 51		1

## 3.2 Remuneration policy

The Company's "Personnel System" and "Personnel Management Regulations" specify clear regulations for the promotion system, assessment system, and remuneration policy.

- The same salary is offered during the probation and after formal employment.
- New employees: Educational background and experience will be taken into the consideration to offer salary according to the regulations.
- Current employees: Salary will be adjusted every year based on personal performance (achievement of management by objectives and competence assessment) according to the regulations.

#### Salary structure includes:

- Base pay: competence pay, supervisory differential pay, and seniority pay.
- Allowance: Meal allowance, transportation allowance, and others.
- Bonus: Traditional holiday bonus (end of the year, Dragon Boat Festival, Moon Festival), business sustainability bonus, R&D bonus, and working-hour zero accident bonus.

In addition, to gather the morale of all employees and enhance adhesion to the Company, we provide:

- Termination indemnity to those who are qualified for old retirement fund, with seniority more than 10 years, and resign due to personal factors.
- Policy of voluntary retirement.
- Welfare systems, including travel subsidy, scholarships for employees' children, Lunar New Year allowance, seniority bonus (appreciation leave), self-motivated educational training subsidy, employee group insurance, travel leave, and special leave that is better than regulations specified in Labor Standards Act.

#### 3.3 Group engagement

The Company has the organization of trade union, and the percentage of membership is 89.0%. This was mainly due to Company negotiations with the trade union. All employees above the grade of assistant manager are considered management cadre and employer's representatives so they are not union members. Other than holding regular representative meetings and directors & supervisors meetings, labor-management meetings will be held regularly to discuss working conditions, employment provisions, and employee working conditions and environment enhancement as the accordance of harmony between labors and management.





## 3.4 Occupational safety and health

The Company has obtained international certification of ISO-45001 Occupational Safety and Health. According to the regulations, the Company has identified each source of risks and identified material risk sources through the risk management, including:

		Significant Risk As	sessi	nent	: Re	gist	er		Yeaı	r: 20	023
							Ме	thod of control ( V or rem	ark)		
Operational activity	Identifying risks and results (scenario description of the results might be caused by risks)	Place/ responsible unit	Type of hazard	Rating	Elimination	Replacement	Engineering controls	Process (Name)	Administrative controls	Personnel protective equipment	Emergency response
Forklift operations	Crushing of container bags to pulverized hardened chemicals	Manufacturing Process Area/ Manufacturing Section 1	PH5	189			V	Health and Safety Work Rules			V
			PH1	240			V	Emergency Response Management Standards			V
Uneven road	Potholes	All plant roads /	PH2	240			V	Emergency Response Management Standards			V
surface	Totholes	Engineering Section	PH4	240			V	Emergency Response Management Standards			V
			PH5	240			V	Emergency Response Management Standards			V

Based on the sources of material risks above, the Company works actively in seeking improvement measures and lists concrete annual improvement goals, including:

Doliny	Goal	Index (quantified)	Management plan
Policy	Goal	Index (quantified)	Name
Obligation of compliance Continuou	Improve plant safety and	0 cases of hazards due to inadequate lighting	1. Replacement of lighting fixtures in Process Zones 1 and 3
improveme Energy savii and waste reduction	of marrow arrivation	0 cases of hazards during inspection operations	2. Modified automatic scales No.8 and No.9 to add an automatic conveyor motor
Environmen protection Disaster	Lowering the probability of flying or falling objects	Hazard of flying or falling objects: 0	3. Replacement of corrugated roofing for the EO and PO Storage Tank Zones.
preventior Friendly workplace	Promoting labor health and strengthening personnel spiritual growth	Assisted family activities and held employee health examination and seminar: Once/ year.	4. Health promotion activities



To strengthen occupational health and safety at the Company and ensure a quality environment for all employees, the Linyuan plant carried out a series of continuous improvement activities during 2023. Improvements to the hardware facilities and software management systems aimed to realize the goal of zero industrial safety accidents.

	activities	Summary of key points
	1. Installation of container bag pulverizer	Improve operational safety and convenience for personnel.
	2. Purchase of aerial work platform	Statutory compliance and enhancement of elevated operations in the factory
Plant safety and environmental protection measures	3. Conduct 2 response drills a year (including toxic chemicals, earthquakes, spills and leaks, terrorist attacks, and power outages)	Train personnel on emergency response knowledge and strengthen the plant's internal emergency response capabilities.
	4. Set up PSM Process Security Management System	Enforce process safety and improve the process safety knowledge of employees to prevent the risk of accidents.
2 Navianiamant	1. Reaction tank upgrade	Ensure safe utilization and quality stability, improve efficiency
2. New equipment installation or upgrades	2. Reaction tank upgrade (4 tanks)	To ensure quality stability and operational safety as well as upgrade the material used for tank body.
	Deployment of smart monitoring and management system for wastewater facility	Real-time monitoring of wastewater treatment for better protection of the environment and human health.
3. Smart management	Deployment of smart monitoring and management system for reaction tanks	The smart equipment management system helps to ensure equipment safety by facilitating effective preventive maintenance.
4. Improvements to labor conditions	1. Addition of 3F platform and workspace improvements in Process Zone 2	The workplace was upgraded to improve personnel comfort, lighting, and operational safety.









#### 3.5 Employee health and safety promotion

The Company holds a Safety, Health, and Environmental Protection Committee meeting every quarter and have made the following resolutions on the issues of employee health and safety promotion, including:

Quarter 1	1. Health promoting activities: Health exams, abnormal workload plan, musculoskeletal injury risk assessment 2. Colon cancer prevention and treatment education
Quarter 2	Health promoting activities: Middle-aged and elderly employees     care/Maternal health protection plan/Overwork related illness     prevention/ Risk assessment of musculoskeletal disorders     Heat injury prevention and treatment education
Quarter 3	1. Health promoting activities: Abnormal workload plan, human-factor hazard prevention plan, Special health exam, health exam report consultation service, middle-to-senior worker health and safety plan. 2. Emotional first-aid box education
Quarter 4	1. Health promoting activities: Special health exam, health exam report consultation services, autumn company holiday. 2. H. pylori prevention and treatment education

### 3.6 Employee activities

To boost employee morale and promote the mental, physical, and spiritual well-being of employees, the Company continued to host a variety of outdoor activities in 2023. We hope this will help employees unwind outside of work and improve their productivity at work.

ltem	Event Name	Participation	Material Outcomes	Implementation Period
1	Employee Milestone and Incentive Holiday	170	Reward for employees working together as a team to set a new company sales record	2023/05 – 2023/11
2	Employee incentive travel	24	Half-day tour of Tainan	2023/9/16
3	Autumn tour	51	2-day Yilan hot-spring tour	2023/11/4 – 2023/11/5
4	Petrochemical Cup - Softball Competition	25	Petrochemical companies at Renwu Industrial Park, Dashe Industrial Park, and Linyuan Industrial Park played friendship ball games	2023/5,2023/10
5	Intra-company Cup - Golf Friendship Tournament	33	To promote the physical and mental well-being of employees, enrich the recreational life of employees, and encourage employees to socialize with each other	2023/7/29, 2023/12/16



# 04. Concern for environmental sustainability development

### 4.1 Environmental consideration

The Company obtained the international certification of ISO-14001 Environmental Management System Certification and determined material environmental considerations through the evaluation of environmental dimension. Among them, we have established management plans for the improvement measures of material environmental consideration to achieve the purpose of pollution prevention and achieve the goal of sustainable environment.

Policy	Goal	Index (quantified)	Management plan
Policy	Goat	maex (quantinea)	Name
Obligation of compliance Continuous improvement	Upgrade to energy-saving electrical equipment that is more environmentally friendly.	Energy-efficiency of motors improved by over 5%	Upgrade to energy- saving motors (4 units) for blowers at the wastewater facility
Energy saving and waste reduction Environmental protection	Avoiding gas effusion and reducing air pollution	Leakage caused by the tank: 0/ year.	Upgrade the heat exchanger
Disaster prevention Friendly workplace	Training personnel the knowledge of toxic disaster and strengthening the emergency response in the plant	Drill: 2 times/ year.	Drill for Emergency Response to Toxic Disaster

#### Fire drill





The Company established environmental monitoring and testing plans according to relevant laws for environmental protection and implemented the plans in the first half of the year and the second half of the year respectively. The implementation results met the requirements of laws for environmental protection. The details are shown below:

	台灣全瑞有限公司 112,03,29				
監測項目	取樣地點	容許濃度	监测结果	判定	主管
硫酸	製二課 紀柏桓	mg/m³ 1	mg/m³ <0.0103	(符合與否) 符合	<b>簽認</b>
		also also allo also	临测结果	1 11 11	主势
监测项目	取樣地點	容許濃度 ppm	短網結束 ppm	判定 (符合與否)	五官 簽認
甲醇	製二線 李寶雲	200	<1.414	符合	100
Y 85	2F 品質保證都 美士齊	200	<1,443	符合	EX.
監測項目	取樣地點	容許濃度	監測結果	判定	主管
5年4月4月日		ppm	ppm	(符合與否)	簽認
二甲苯	製二線 周明慶	100	<1.048	符合	超大區
	2F 研發技術部 邱皓翔	100	<0.925	符合	22.3
監測項目	取樣地點	容许濃度	監測結果	判定	主管
监测项目	双根地點	ppm	ppm	(符合與否)	簽認
1-丁醇	製二課 李寶雲	100	<0.135	符合	使文章
1-1 pt	2F 品質保證部 英士齊	100	<0.120	符合	拉大
監測項目	Fig. 485, 345, 803.	容許濃度	監測結果	判定	主管
		ppm	ppm	(符合與否)	簽認
具丁醇	製二課 李寶雲	50	<0.134	符合	原文章
松洲項目	取權法數	容許濃度	監測結果	判定	主管
	1.77	ppm	pps	(符合與否)	簽認
苯乙烯	製二課 周明慶	50	<0.550	符合	PEX
監測項目	取樣地點	容許濃度	監測結果	判定	主管
m who in		ppm	ррп	(符合與否)	簽認
两侧	2F 品質保證部 吳士齊	200	<1.751	符合	接文部
	2F 研發技術部 徐肇陽	200	<2, 336	符合	2人間
監測項目	取樣地點	容许濃度	监测结果	判定	主管
甲苯	2F 品質保證部 吳士齊	ppm 100	<0, 605	(符合與否)	簽認
TA	21 加資休銀即 共士省	100	<0.000	符合	PEAR
監測項目	取樣地點	容許濃度	监测结果	判定	土管
一般な物と	2F 品質保證部 吳士齊	ppm 400	<0.395	(符合與否) 符合	簽認
是形态	41 如其体質的 癸士貨	100	VU, 393	ল ক	PZASS
は、日本の	取樣地點	容許濃度	監測結果	判定	主管
NOTICE (FELL)	1719010	рря	ppn	(符合與否)	簽認

- Account	変形に えでまれ	月新兴黄水谷	多項數值管	聖 監 明 经	4.特合。
	(251)	J 1/2 B 3	7 2 4 - 2	~ ~ .	., (6
		作業環境監	直測結果判定	書	
	台灣全瑞有限公司				
监测日期;	112. 09. 27				
監測项目	取核地點	容许濃度	股測結果 mg/m²	判定 (符合與否)	主管 簽認
AN 602	製二課 王宏原	1	<0.0111	符合	(MEX.NI
				.,,,,	
验测项目	取樣地點	容許減度	监测结果	判定	主管
<b>公川項目</b>	収株地點	Dpm.	ppn	(符合與否)	一直美黎
Ψ 55	製二課 李柏敦	200	<1, 292	符合	
Y 27	2F 品質保證部 黄清凉	200	<1.332	符合	55.0
監測項目	取機地點	容許浪度	监测结果	判定	生管
		bbu	ppm	(符合與否)	簽認
二甲苯	製二課 部治輝	100	<0.773	符合	17259
	2F 研發技術部 邱柏豪	100	<0.723	符合	西美洲
	1	容許濃度	監測結果	判定	主管
監測項目	取樣地點	ppn	ppe	(符合與否)	簽紹
	製二課 幸油廠	100	<0.127	符合	3977
1-丁醇	2F 品質保證部 黃清凉:	100	<0.121	符合	1,235
監測項目	取获地點	容許濃度	監測结果	判定	主管
		ppn	ppm	(符合與否)	<b>基裁</b>
異丁醇	製二課 李柏敦	50	<0.126	符合	225.51
			22.2002	112	车管
监测项目	取樣地點	容許減度 ppn	監測結果 ppm	(符合與否)	_数据
苯乙烯	製二課 筛清輝	50	<0.406	符合	12.0
4	40- 40 11 00-41		10. 200	1111	1,1100.000
60 (m) -01 m	We set all me	容許濃度	监测结果	判定	主管
監測項目	取樣地點	ppul	ppm	(符合與否)	100分類
15 Est	2F 品質保證部 資清凉	200	<1.630	符合	5555
再例	2F 研發技術部 洪秀莹	200	<1.492	符合	野文章
					-
監測項目	取扱地點	容許濃度	監測結果	判定	主管
		ppn	ppm	(符合與否)	養拠
甲苯	2F 品質保證部 黃清涼 .	100	<0, 563	符合	86250
		容許濃度	監測結果	判定	主管
監測項目	取樣地點	P of Antal	DDM NC	(符合與否)	養認
乙酸乙酯	2F 品質保證部 黃清凉	400	<0.368	符合	624
發測項目	取樣地點	容許濃度	監測結果	判定	主管
ALM 48 4	84-16-20-50	ppn	ppm	(符合與否)	<b>券班</b>

		作業環境監	测结果判定	書	
	台灣全瑞有限公司 112.03.29				
監測項目	取樣地點	容許濃度 ng/n³	监测结果 ng/n²	判定 (符合與否)	主管 簽認
磷酸	製二課 紀柏桓	1	<0.0103	符合	性文章
監測項目	取樣地點	容許濃度 ppm	監測結果	判定 (符合與否)	主管
	製二課 李寶雲	200	<1.414	符合	200
甲醇	2F 品質保護部 英士音	200	<1,443	符合	22,5
監測項目	取樣地點	容許濃度 ppm	監測結果 ppn	判定 (符合與否)	主管 簽認
二甲苯	製二課 周明慶	100	<1.048	符合	经文献
-TA	2F 研發技術部 邱皓翔	100	<0.925	符合	22.4
監測項目	取樣地點	容許濃度	监测结果	判定	主管
	製二課 李寶雲	ppm	ppn	(符合與否)	簽認
1-丁醇	表一株 平貝區 2F 品質保證部 吳士春	100	<0.135 <0.120	符合符合	23.9
	21 必算体证率 英士曾	100	<0.120	符合	CAAA
監測項目	取樣地點	容許濃度	監測結果	判定 (符合與否)	主管
異丁醇	製二課 李寶雲	900 50	o, 134	符合	(B)大型
松测項目	取接地點	容許濃度	监测结果	判定	主管
		ppa	ppm	(符合與否)	簽認
苯乙烯	製二課 周明慶	50	<0.550	符合	推文章
監測項目	取樣地點	容許濃度 ppn	監測結果 ppm	判定 (符合與否)	主管答認
	2F 品質保證部 美士麥	200	<1.751	符合	74 - 67
丙酮	2F 研發技術部 徐肇陽	200	<2.336	符合	100
監測項目	取樣地點	容许濃度	監測結果	判定	主管
	2.70.70.0	ppn	ppm	(符合與否)	簽認
甲苯	2F 品質保證部 吳士齊	100	<0.605	符合	建文唱
監測項目	取樣地點	容許濃度 ppn	監測結果 ppm	判定 (符合與否)	主管簽認
<b>西</b> 维克德	2F 品質保證部 吳士齊	400	<0.395	符合	<b>发现</b>
理解ラ					
基例與由	取樣地點	容許濃度	監測結果	利定 (符合與否)	主管簽認
I KINE	2F 研修技術部 青敏喜	50	<0.133	(符合與否)	<b>放松</b>

	台灣全瑞有限公司 112.09.27				
监测项目	取樣地點	容許濃度	監測結果	判定	主管
		ppa	Ppm	(符合與否)	簽認
甲酚	製二課 王志英	5	<0.0149	符合	技大昭
		容許濃度	电测丝差	#157	生學
验测项目	取樣地點	ppn	ppm	(符合與否)	答認
	2F 品質保證部 宋國勳	10	<0.224	符合	姓大昭
三氯甲烷	2F 研發技術部 黃楷晉	10	<0.226	符合	
監測項目	取樣地點	容許濃度	監測結果	判定	主管
		ppn	ppm	(符合與否)	簽認
四氢呋喃	2F 研發技術部 黃楷音	200	<0.188	符合	遊夫墓
		容許清度	監測結果	刺宠	主管
監測項目	取樣地點	客評議度 ppm	監測結果 ppm	(符合與否)	主官 簽認
7,88	2F 研發技術部 羅承廷	400	<0, 125	符合	接文章
0.4	an or salary or species	100		11.0	Escal
*****		容许濃度	監測結果	判定	主管
監測項目	取樣地點	ppn	ppm	(符合與否)	簽認
罗内醇	製二課 李柏叡	400	<0.170	符合	技文联
26.19.07	2F 品質保證部 宋國勳	400	0.200	符合	姓大联
		容許濃度	監測結果	判定	主管
監測項目	取樣地點	ppn ppn	9m 200 20 20	(符合與否)	簽認
中醛	製二課 劉芬宏	1	< 0.0104	符合	技文理
at roles of	man and a state of	容许濃度	監測結果	判定	主管
监测项目	取樣地點	ppn	ppm	(符合與否)	簽認
	2F 品管課化驗室	5000	417	符合	
	2F 品管課辦公室	5000	407	符合	经文项
	2F 品管課儀器室	5000	416	符合	
	2F 技術部實驗室(一)	5000	421	符合	
	2F 技術部實驗室(二)	5000	443	符合	
	3F 會議室	5000	414	符合	提文
	3F 合成二室	5000	419	符合	姓大湖
co.	行政大樓 2F 管理課/	5000	820	符合	
13461	1000大樓 2F 倉運課辦公室	5000	758	符合	
氚	是 是 以 同 に の に の の の の の の の の の の の の の	5000	738	符合	维拉
	据政大權 IF 营二年辨到 6	5000	767	符合	经大组
Percent	行政大樓 4F 品保部辦公室		726	符合	
	行政大樓 3F 工務課辦公宝		851	符合	UKX W
	行政大樓 3F 生管課辦公室		793	符合	接法官



## 4.3 New and extended environmental protection and industrial safety projects

	New	Regulatory changes meant the number of response personnel needed to be brought up to strengthen across different counties and cities. The Company joined an emergency response organization to maintain the transportation of toxic chemicals across different counties and cities.
	14644	2.New legislation requires Net Zero by 2050. The Company was not in a designated industry but began conducting voluntary GHG inventories in 2023 in response to future trends.
Environmental Protection		3. Regulations require underground conduits to be re-inspected every 5 years. Intensive electric potential, pressure sustaining, and thickness measurement testing was therefore carried out for EO, steam, and pure water underground conduits.
	Extension	
Industrial safety	Extension	Extension of performance recognition was reviewed and approved in 2023. Health & Safety and Environmental Protection can continue to be a single department within the organization rather than separate specialist units. We are the company at Linyuan to have qualified so far.

## 4.4 Greenhouse gas emission

#### 4.4.1 Total GHG emissions

An organizational GHG inventory was conducted by the Company in accordance with the ISO-14064-1 international standard. The organizational boundaries encompassed the Taipei office and Linyuan (Kaohsiung) factory. Reporting boundaries encompassed Categories 1 to 6. Category 5 was excluded on the basis of materiality assessment. Nothing satisfied the criteria for Category 6 so the actual inventory encompassed Categories 1 to 4.

The emissions factors quoted by the GHG inventory were sourced from the "Greenhouse Gas Emission Factor Management Table Version 6.0.4" published by the Ministry of the Environment, and the MOE "Product Carbon Footprint Database." Global Warming Potential (GWP) used IPCC AR6 to calculate GHG emissions.

All GHG emissions were expressed in "Tonnes/CO2 equivalent" (tCO2e).

The Company's total 2023 GHG emissions were calculated and are shown in the table below together with the 2022 data for comparison.

Total emissions in 2023 were higher than in 2022, but Category 1 direct emissions were 78.6790 tonnes lower than in 2022.



	Greenhouse Gas Ir	vento	ries Da	ta				
	Direct GHG Emission	on (Cat	egory	1)				
Emission source	Emission source category	CO2	CH4	N20	HFCs	2023 Total emissions	2022 Total emissions	Emission gap
Stationary combustion	Nat—ural gas	V	V	V		394.9905	473.5695	-78.5790
Stationary combustion	Diesel fuel	V	V	V		0.0000	0.0000	0.0000
Stationary combustion	Acetylene	V				0.0203	0.0406	-0.0203
Mobile combustion	Gasoline	V	V	V		27.9028	26.4097	1.4931
Mobile combustion	Diesel fuel	V	V	V		67.7768	69.1013	-1.3245
Direct fugitive emissions	refrigerant				V	81.8448	81.8448	0.0000
Direct fugitive emissions	Night Soil		V			13.4422	13.6905	-0.2483
Direct fugitive emissions	CBRF3				V	0.000	0.000	0.0000
	Total					585.9774	664.6564	-78.6790
Indirect GHG Emission (Category 2)								
Input energy	Input power	V				2928.3109	3,086.5305	-158.2196
Input energy Input steam v						3994.9685	3,808.0113	186.9572
Total					6,923.2794	6,894.5418	28.7376	
	Category 1+ Category 2	Total				7,509.2568	7,559.1982	-49.9413
Inc	direct GHG Emission (Ca	tegory	3)					
Transportation	Emissions from upstream transport and distribution of goods	V				440.4089	594.9196	-154.5107
Transportation	Emissions from downstream transport and distribution of goods	V				7,619.6060	6870.1114	749.4946
Transportation	Emissions from employee commuting	V				71.2823	79.5920	-8.3097
Transportation	Emissions from business travel	V				49.4345	35.4119	14.0226
	Total					8,180.7317	7580.0349	600.6968
Inc	direct GHG Emission (Ca	tegory	4)					
Organizing the use of the product	Organizing the purchase of goods	V				623.4514	658.5025	-35.0511
Organizing the use of the product	Emissions from disposal	V				95.0921	115.1131	-20.0210
	Total					718.5435	773.6156	-55.0721
	Grand total					16,408.5320	15,912.8487	495.6833

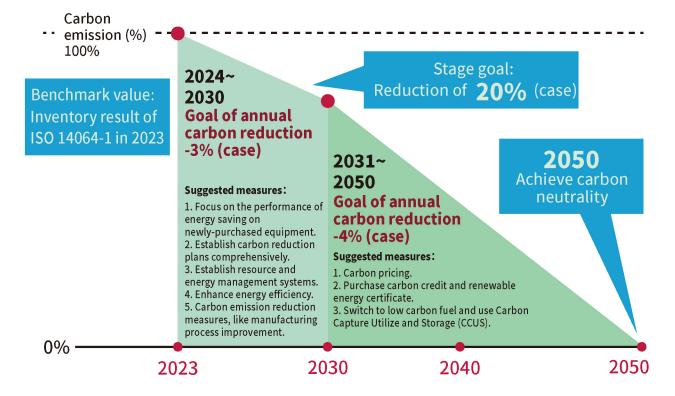


#### 4.4.2 Emission reduction initiative:

Table 4.4.1 reveals the category with the highest ratio of emission density in the Company is Category 2- outsourced electricity. It is obvious that our Company specifically relies on the use of outsourced electricity. Look into the future, we plan to install self-generated solar power to reduce the power generation through traditional fossil fuel burning and increase the ratio of power generated by renewable energy.

#### 4.4.3 Implementation strategy of carbon neutrality:

To link with the world, the Company refers to the goals set by the Group and works around the customer demand in carbon neutrality to establish implementation strategies for future carbon neutrality as well as respond to the long-term goal of 2050 zero emission in Taiwan. The concrete strategies implemented by the Company include achieving 20% carbon reduction in 2030 and fulfilling the goal of "carbon neutrality" in 2050. The route of carbon neutrality is as below:





### 4.5 Waste disposal

The Company obtained the international certification of ISO-14001 Environmental Management System and determined material environmental considerations through

Item	Waste name	Total amount of was	Total amount of waste declared (Tonne)			
iteiii	waste Hallie	2023	2022	disposal		
1	Organic sludge	94.34	44.61	Thermal treatment		
2	Non-hazardous organic waste liquid or solvent	72.28	129.98	Incineration		
3	Non-hazardous organic waste liquid or solvent	3.89	11.8	Physical		
4	Mixed waste plastic	3.6	3.6	Incineration		
5	Mixed waste paper	3.6	3.6	Incineration		

## 4.6 Concrete energy-efficiency and carbon reduction measures

## 4.6.1 Partial computerization of printed forms for energy efficiency and carbon reduction.

#### 4.6.2 Equipment improvements:

- Upgrade to energy-saving motors (4 units) at the wastewater facility The high-efficiency motors conform to CNS14400 C4482 and are up to 6% more efficient. Annual savings per blower is 11,983 kWh so four units will save 47,932 kWh of electricity.
- Carbon reduction: Construction of solar power system (self-built/self-use) Generating capacity: 25.5 kW.

  Benefits:
  - (1) Improved corporate image (CSR)
  - (2) Annual carbon reductions of 16 tonnes of CO2e. Qualifies for green electricity certificate.



## 05. Vision for the future

#### 5.1 Performance for 2030:

The Company's medium- and long-term goals for 2030 are to achieve followings:

- As the creator of surfactant and surface chemistry, we aim to provide a wonderful life for human beings, earth, and the universe.
- Focus on the overseas markets as well as manufacture (including commissioned production) and prepare inventory for sales in overseas location.

#### 5.2 Company's future development strategies and measures:

- Strengthening production and marketing models to enhance profitability.
- Launching strategic investment.
- Revitalisation of the organization and talent cultivation.
- Making flexible use of existing technology and knowledge to market in the areas, like electric car, semi-conductor, and printed circuit board, to expand market share.
- Promoting new technology development for patent application.
- Facilitating steady supplies of raw materials and reducing costs.
- Promoting overseas sales/ re-establishing promotional strategies.
- Enhancing profitability through the synergy among the companies in the Group.





## **Appendix 1: Table of GRI Standards**

	Sino-Japan Chemical Co., Ltd. refers to GRI standards to report information cited in the GRI table from January 1, 2022, to December 31, 2022.
GRI used	GRI 1:Foundation 2021

Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page
		GRI 2-1	Organizational details	P1
About the Report	GRI 2 General Disclosures 2021	GRI 2-2	Entities included in the organization's sustainability reporting	
		GRI 2-3	Reporting period, frequency ad contact point	
		GRI 2-22	Statement on sustainable development strategy	
Message from the Chairman	GRI 2 General Disclosures 2021	GRI 2-23	Policy commitments	P2 P3 P4
		GRI 2-24	Embedding policy commitments	
01. Sino-Japan Chemica	al			
		GRI 2-1	Organizational details	
1.1 Company profile	GRI 2 General Disclosures 2021	GRI 2-2	Entities included in the organization's sustainability reporting	P5 P6 P7
		GRI 2-28	Membership associations	P8

Sino-Japan Chemical



Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page
		GRI 2-9	Governance structure and composition	
		GRI 2-10	Nomination and selection of the highest governance body	
		GRI 2-11	Chair of the highest governance body	
1.2 Corporate governance organizational structure	GRI 2 General Disclosures 2021	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	P9 P10 P11
		GRI 2-14	Role of the highest governance body in sustainability reporting	
		GRI 2-15	Conflicts of interest	
		GRI 2-17	Collective knowledge of the highest governance body	
	GRI 2 General Disclosures 2021	GRI 2-6	Activities, value chain and other business relationships	P12
1.3 Marketing overview	GRI 201 Economic Performance 2016	GRI 201	GRI 201 Economic Performance 2016	
1.4 Activity value chain	GRI 2 General Disclosures 2021	GRI 2-6	Activities, value chain and other business relationships	P13 P14
	GRI 205 Anti- corruption 2016	GRI 205	GRI 205 Anti- corruption 2016	P16
1.5 Sustainable development road map	GRI 2 General Disclosures 2021	GRI 2-22	Statement on sustainable development strategy	P17 P18 P19 P20 P21 P22
1.6 Strengthening corporate governance	GRI 2 General Disclosures 2021	GRI 2-18		P23



Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page	
02. Implementation of c	orporate social re	sponsibilit	у		
2.1 Process of material topics	GRI3: Material Topics 2021	GRI 3	GRI3: Material Topics 2021	P24 P25	
2.2 Investigation of material topics	GRI3: Material Topics 2021	GRI 3	GRI3: Material Topics 2021	P26	
2.3 Stakeholder	GRI 2 General Disclosures 2021	GRI 2-16	Communication of critical concerns	P27	
communication	GRI 418 Customer Privacy 2016	GRI 418	GRI 418 Customer Privacy 2016	P28 P29	
2.4 Promotion of commitments to corporate social responsibility	GRI 2 General Disclosures 2021	GRI 2-22	Compliance with laws and regulations	P30	
2.5 Active participation in social activities	GRI 2 General Disclosures 2021	GRI 413	LOCAL COMMUNITIES 2016	P30	
03. Creation of an enviro	onment with friend	dliness and	d LOHAS		
	GRI 2 General Disclosures 2021	GRI 2-7	Employees		
3.1 Employee structure		GRI 2-8	Workers who are not employees	P34	
3.2 Remuneration	GRI 2 General	GRI 2-19	Remuneration policies		
policy	Disclosures 2021	GRI 2-20	Process to determine remuneration	P35	
3.3 Group engagement	GRI 2 General Disclosures 2021	GRI 2-29	Approach to stakeholder engagement	P36	
cio ci cap ciigagement	DISCIOSUTES 2021	GRI 2-30	Collective bargaining agreements		
	GRI 404 Training and Education 2016	GRI 404	GRI 404 Training and Education 2016	D27-	
3.4 Occupational safety and health	GRI 416 Customer Health and Safety 2016	GRI 416	GRI 416 Customer Health and Safety 2016	P37 P38	

Sino-Japan Chemical



	Corresponded		2	
Chapter	GRI category/ regulations	Code	Disclosure content of GRI standards	Page
3.5 Employee health and safety promotion	GRI 404 Training and Education 2016	GRI 404	GRI 404 Training and Education 2016	P39
3.6 Employee activities		GRI 401 GRI 402		P39
04. Concern for environ	mental sustainabil	lity develo	pment	
4.1 Environmental consideration	GRI 308 Supplier Environmental Assessment 2016	GRI 308	GRI 308 Supplier Environmental Assessment 2016	P40
	GRI 306 Waste 2020	GRI 306	GRI 306 Waste 2020	
4.2 Environmental	GRI 308 Supplier Environmental Assessment 2016	GRI 308	GRI 308 Supplier Environmental Assessment 2016	P41
monitoring	GRI 306 Waste 2020	GRI 306	GRI 306 Waste 2020	
4.3 New and extended environmental protection and industrial safety projects		GRI 2-22		P42
4.4 Greenhouse gas emission	GRI 305 Emissions 2016	GRI 305	GRI 305 Emissions 2016	P42 P43 P44
4.5 Waste disposal		GRI 306-5		P <b>4</b> 5
4.6 Concrete energy- efficiency and carbon reduction measures		GRI 2-22		P45

Chapter	Corresponded GRI category/ regulations	Code	Disclosure content of GRI standards	Page	
05. Vision for the future					
5.1 Performance for 2030	GRI 2 General Disclosures 2021	GRI 2-18	Evaluation of the performance of the highest governance body		
5.2 Company's future development strategies and measures	GRI 2 General Disclosures 2021	GRI 2-13	Delegation of responsibility for managing impacts	P46	
		GRI 2-14	Role of the highest governance body in sustainability reporting	F40	
	2021	GRI 2-18	Evaluation of the performance of the highest governance body		





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